

House Study Bill 590 - Introduced

HOUSE FILE _____

BY (PROPOSED COMMITTEE
ON COMMERCE BILL BY
CHAIRPERSON PETERSEN)

A BILL FOR

1 An Act requiring health insurance coverage for costs relating
2 to mental health conditions, including alcohol or substance
3 abuse treatment services costs, and requiring coordination
4 of services to maximize access to mental health and
5 substance abuse treatment for veterans, and including
6 effective date provisions.

7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 135H.3, subsection 2, Code Supplement
2 2009, is amended to read as follows:

3 2. If a child is diagnosed with a ~~biologically based~~
4 ~~mental illness~~ mental health condition as defined in section
5 ~~514C.22~~ 514C.26 and meets the medical assistance program
6 criteria for admission to a psychiatric medical institution for
7 children, the child shall be deemed to meet the acuity criteria
8 for medically necessary inpatient benefits under a group
9 policy, contract, or plan providing for third-party payment or
10 prepayment of health, medical, and surgical coverage benefits
11 issued by a carrier, as defined in section 513B.2, or by an
12 organized delivery system authorized under 1993 Iowa Acts,
13 ch. 158, that is subject to section ~~514C.22~~ 514C.26. Such
14 ~~medically necessary benefits shall not be excluded or denied as~~
15 ~~care that is substantially custodial in nature under section~~
16 ~~514C.22, subsection 8, paragraph "b".~~

17 Sec. 2. NEW SECTION. 514C.26 **Equality in health care**
18 **coverage and veterans wellness Act.**

19 1. This section shall be known and may be cited as the
20 *"Equality in Health Care Coverage and Veterans Wellness Act"*.

21 2. For purposes of this section, unless the context
22 otherwise requires:

23 a. *"Mental health condition"* means a condition or disorder
24 involving mental illness or alcohol or substance abuse as
25 defined by the commissioner of insurance by rule, consistent
26 with the diagnostic categories listed in the mental disorders
27 section of the most recent version of the diagnostic and
28 statistical manual of mental disorders of the American
29 psychiatric association.

30 b. *"Rates, terms, and conditions"* means any lifetime
31 payment limits, deductibles, copayments, coinsurance, and any
32 other cost-sharing requirements, out-of-pocket limits, visit
33 limitations, and any other financial component of benefits
34 coverage that affects the covered individual.

35 3. a. Notwithstanding the uniformity of treatment

1 requirements of section 514C.6, a policy, contract, or plan
2 providing for third-party payment or prepayment of health or
3 medical expenses shall provide coverage benefits for mental
4 health conditions based on rates, terms, and conditions which
5 are no more restrictive than the rates, terms, and conditions
6 for coverage benefits provided for other health or medical
7 conditions under the policy, contract, or plan. Additionally,
8 any rates, terms, and conditions involving deductibles,
9 copayments, coinsurance, and any other cost-sharing
10 requirements shall be cumulative for coverage of both mental
11 health conditions and other health or medical conditions under
12 the policy, contract, or plan.

13 *b.* Coverage required under this subsection shall be as
14 follows:

15 (1) For the treatment of mental illness, coverage shall be
16 for services provided by a licensed mental health professional,
17 as defined in section 228.1, or services provided in a licensed
18 hospital or health facility.

19 (2) For the treatment of alcohol or substance abuse,
20 coverage shall be for services provided by a substance abuse
21 treatment and rehabilitation facility, as licensed by the
22 department of public health pursuant to chapter 125.

23 4. This section applies to the following classes of
24 third-party payment provider policies, contracts, or plans
25 delivered, issued for delivery, continued, or renewed in this
26 state on or after July 1, 2011:

27 *a.* Individual or group accident and sickness insurance
28 providing coverage on an expense-incurred basis.

29 *b.* An individual or group hospital or medical service
30 contract issued pursuant to chapter 509, 514, or 514A.

31 *c.* A plan established pursuant to chapter 509A for public
32 employees.

33 *d.* An individual or group health maintenance organization
34 contract regulated under chapter 514B.

35 *e.* Any other entity engaged in the business of insurance,

1 risk transfer, or risk retention, which is subject to the
2 jurisdiction of the commissioner of insurance.

3 f. An organized delivery system licensed by the director of
4 public health.

5 5. The division of mental health and disability services of
6 the department of human services and the division of behavioral
7 health of the department of public health shall coordinate with
8 the Iowa department of veterans affairs to maximize access to
9 mental health and substance abuse treatment for veterans.

10 6. This section shall not apply to accident-only, specified
11 disease, short-term hospital or medical, hospital confinement
12 indemnity, credit, dental, vision, Medicare supplement,
13 long-term care, basic hospital and medical-surgical expense
14 coverage as defined by the commissioner of insurance,
15 disability income insurance coverage, coverage issued as a
16 supplement to liability insurance, workers' compensation or
17 similar insurance, or automobile medical payment insurance.

18 Sec. 3. REPEAL. Section 514C.22, Code 2009, is repealed
19 effective July 1, 2011.

20 Sec. 4. EFFECTIVE DATE. The following provision of this Act
21 takes effect July 1, 2011:

22 1. Section 1 of this Act amending section 135H.3, subsection
23 2.

24 EXPLANATION

25 This bill creates new Code section 514C.26, entitled the
26 "Equality in Health Care Coverage and Veterans Wellness Act",
27 and provides that, effective July 1, 2011, a policy, contract,
28 or plan providing for third-party payment or prepayment of
29 health or medical expenses must provide coverage benefits for
30 mental health conditions based on rates, terms, and conditions
31 which are no more restrictive than the rates, terms, and
32 conditions associated with coverage benefits provided for
33 other conditions under the policy, contract, or plan. "Mental
34 health condition" means a condition or disorder involving
35 mental illness or alcohol or substance abuse as defined by

1 the commissioner of insurance, by rule, consistent with the
2 diagnostic categories listed in the mental disorders section
3 of the most recent version of the diagnostic and statistical
4 manual of mental disorders of the American psychiatric
5 association.

6 The bill also requires the division of mental health and
7 disability services of the department of human services and
8 the division of behavioral health of the department of public
9 health to coordinate with the Iowa department of veterans
10 affairs to maximize access to mental health and substance abuse
11 treatment for veterans.

12 Code section 514C.22, which currently mandates coverage
13 for certain biologically based mental illnesses, is repealed
14 effective July 1, 2011.

15 Code section 135H.3 is amended to coordinate with new Code
16 section 514C.26, and the repeal of Code section 514C.22,
17 effective July 1, 2011.